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09/712,059	11/14/2000	Andre S. Lee	5850772-0003	8947

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WHITE & CASE LLP
PATENT DEPARTMENT
1155 AVENUE OF THE AMERICAS
NEW YORK, NY 10036

EXAMINER

NGUYEN, NGA B

ART UNIT PAPER NUMBER

3628

DATE MAILED: 06/07/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/712,059

Applicant(s)

LEE, ANDRE S.

Examiner

Nga B. Nguyen

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 14 November 2000.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-38 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-38 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

1. This Office Action is the answer to the communication filed on November 14, 2000, which paper has been placed of record in the file.
2. Claims 1-38 are pending in this application.

Claim Rejections - 35 USC § 101

3. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

4. Claims 1-25 are rejected under 35 U.S.C 101 because the claimed invention is directed to non-statutory subject matter, particularly, an abstract idea.

The claims, as presently claimed and best understood were reconsidered in light of the "Examination Guidelines for Computer-Related Inventions" and were found to be non-statutory. Discussion of the analysis of the claims under the guidelines follows.

Claims 1-25 merely manipulate an abstract idea that is not within the technological arts. Mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts fail to promote the "progress of science and the useful arts" (i.e., the physical sciences as opposed to social sciences, for example) and therefore are found to be non-statutory subject matter.

As to claims 1-25, the invention is not implemented on a specific apparatus; therefore, the invention is not directed to the technological arts. To be statutory, the utility of an invention must be within the technological arts. The definition of

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"technology" is the "application of science and engineering to the development of machines and procedures in order to enhance or improve human conditions, or at least to improve human efficiency in some respect." (Computer Dictionary 384 (Microsoft Press, 2d ed. 1994)). When one looks to the present specification to determine what the applicant has invented, the invention appears to be a series of steps performed on a computer. It is clear that claims 1-25 are intended to be directed to the abstract method apart from the apparatus for performing the method. Therefore, claims 1-25 are non-statutory, because they are directed solely to an abstract idea without practical application in the technological arts.

Claim Rejections - 35 USC § 102

5. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

6. Claims 1-18, 20-24, 28-32, and 34-38 are rejected under 35 U.S.C. 102(e) as being anticipated by Woolston, U.S. Patent No. 6,085,176.

Regarding to claim 1, Woolston discloses a method for executing business transactions, comprising:

designing a structure for a transaction diagrammatically and assigning corresponding attributes to the structure design (column 14, line 60-column 15, line 36, the market maker computer 800 has a database structure to allow the user to create an item's record);

creating and posting the transaction, wherein a user maintains control of the posting (column 16, lines 37-67, the user uses posting terminal 700 to post an item for sale);

identifying a transaction of interest to a user (column 7, lines 5-55, the agent perform search request for an item for the user and provide the search results that match the item of interest to the user); and

executing the transaction (column 12, lines 30-67).

Regarding to claim 2, Woolston discloses the structure design is shared among users by providing access to the structure design to users of the system (column 16, lines 37-67; the structure database allows a plurality of users using the posting terminal 700 to post goods for sale or auction).

Regarding to claim 3, Woolston discloses issuing new securities or buying or selling previously issued securities through an auction or trade process (column 13, lines 1-30, the market maker computer executes the transfer ownership routine and allow the user to re-post the item already purchased as a new item for sale or auction

Regarding to claim 4, Woolston discloses new securities are issued through an on-line syndication (column 15, line 1-5; world wide web or Internet).

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Regarding to claim 5, Woolston discloses drafting, preparing and finalizing documents to execute the transaction; and conducting due diligence research on the transaction or on the issuer (column 12, lines 52-67).

Regarding to claim 6, Woolston discloses testing the structure design to evaluate the viability of the structure and identify potential issues of the transaction; and communicating the test results and recommendations for modification of the structure to the user maintaining the posting (column 10, lines 23-33).

Regarding to claim 7, Woolston discloses the testing comprises comparing the structure design and corresponding attributes against a database of data feed of market conditions, regulatory requirements or tax requirements (column 17, lines 1-22; column 18, lines 30-55; the market maker computer 800 analyzes and test the structure design against regulatory requirement).

Regarding to claim 8, Woolston discloses modifying the structure design in accordance with the test recommendations (column 10, lines 23-33).

Regarding to claim 9, Woolston discloses analyzing a financial statement of a company or issuer to assess the company's or issuer's ability to meet the financial obligations of the transaction (column 17, lines 1-22; the market maker computer analyzes the licensing and franchise agreements to ensure that the goods ported must be in the physical and legal possession).

Regarding to claims 10-13, Woolston discloses analyzing the effect of the transaction on a company's or issuer's financial statement comprises generating projections of future financial statements to assess the credit risk of the company or

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issuer, simulating the effect of financial instruments on the company's or issuer's financial statements, superimposing the effect of an instrument's cash flows on the company's or issuer's financial statements (column 20, lines 1-25).

Regarding to claim 14, Woolston discloses a method for raising capital by executing financial transactions on the Internet, comprising:

designing a structure for a transaction diagrammatically, assigning corresponding attributes to the structure design and string the structure design and corresponding attributes in a database (column 14, line 60-column 15, line 36, the market maker computer 800 has a database structure to allow the user to create an item's record);

creating and posting the transaction, wherein a user maintains the posting (column 16, lines 37-67, the user uses posting terminal 700 to post an item for sale);

compiling and maintaining a database of user information and transaction information (column 9, lines 20-25; column 15, lines 1-5; the market maker computer stores user's private data and goods database);

comparing the user information with posted transaction information to identify transaction of interest to a user (column 7, lines 5-55, the agent performs search request by comparing the user's requested item information with the goods database and provides the search results that match the item of interest to the user);

communicating transaction information to the user interested in the posted transaction (column 9, lines 37-55); and

executing the transaction (column 12, lines 30-67).

Claims 15-18, 23, 24 contain similar limitations found in claims 3-5, 6-10 above, therefore are rejected by the same rationale.

Regarding to claim 20, Woolston discloses building an offering memorandum on-line by collating document files; and on-line tracking of confirmation of approval of the offering memorandum from each user participating in the transaction (column 13, lines 60-67).

Regarding to claim 21, Woolston discloses on-line building of a business plan comprising document files; and on-line tracking of status of files (column 15, lines 19-22; the user using the posting terminal to contact the market maker to build an item's record to post for sale and to check the sales).

Regarding to claim 22, Woolston discloses interactively assisting a user to generate the user's final projections for a period of time into the future in the form of an income statement, balance sheet or cash flow statement (column 20, lines 1-25).

Claims 28-29 are written in computer software that parallel the limitations found in claims 1, 3, 4 above, therefore, are rejected by the same rationale.

Regarding to claim 30, Woolston discloses a method for executing financial transactions on a Web-based system, comprising:

providing a security means for controlling access to the system, the security means also comprising means for restricting access of the system to qualified users (column 9, lines 20-25);

designing a structure for a transaction diagrammatically, assigning corresponding attributes to the structure design and storing the structure design and corresponding

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attributes in a database (column 14, line 60-column 15, line 36, the market maker computer 800 has a database structure to allow the user to create an item's record);

testing the structure design against market conditions, regulatory or tax requirements (column 17, lines 1-22; column 18, lines 30-55; the market maker computer 800 analyzes and test the structure design against regulatory requirement);

creating and posting the transaction, wherein a user maintains the posting (column 16, lines 37-67, the user uses posting terminal 700 to post an item for sale);

compiling and maintaining a database of user information and transaction information (column 9, lines 20-25; column 15, lines 1-5; the market maker computer stores user's private data and goods database);

identifying transactions of interest to a user (column 7, lines 5-55, the agent perform search request for an item for the user and provide the search results that match the item of interest to the user);

communicating transaction information to the user interested in the posted transaction (column 9, lines 37-55); and

executing the transaction, including issuing new securities or buying or selling previously issued securities through auction or trade (column 13, lines 1-30, the market maker computer executes the transfer ownership routine and allow the user to re-post the item already purchased as a new item for sale or auction).

Regarding to claim 31, Woolston discloses the new securities are issued through an on-line syndication (column 15, line 1-5; world wide web or Internet).

Regarding to claim 32, providing an invitation to participate in a transaction, the invitation communicated by a manager to another user; and providing an acceptance of the invitation to participate in the transaction, the acceptance communicated by the other user to the manager (column 13, lines 55-67).

Regarding to claim 34, Woolston discloses providing an offer for sale of an allocation of securities, the offer communicated by the manager or arranger to a user participating in the transaction; and providing an acceptance of the offer, the acceptance communicated by the user participating in the transaction to the manager (column 9, lines 37-55).

Regarding to claim 35, Woolston discloses a bid to buy an instrument for sale by auction (column 10, line 43-column 11, line 60), the bid communicated by a user to the user maintaining the posting; a means for determining the highest bid (column 10, lines 60-67); a communication providing the highest bid to buy to the user maintaining the posting; an acceptance of a bid, the acceptance communicated by the user maintaining the posing to the user communicating the bid to buy; and an acceptance of the acceptance of the bid communicated by the user communicating the bid to buy to the user maintaining the posting (column 13, lines 55-67).

Regarding to claim 36, Woolston discloses a system for executing financial transactions on the Internet, comprising:

a system server (column 15, lines 1-5; the market maker computer has a www server);

means for storing data concerning users and transactions (column 9, lines 20-25; column 15, lines 1-5; the market maker computer stores user's private data and goods database);

means for accessing data concerning transactions, capturing and processing data concerning the transaction attributes that are of interest to a user (column 7, lines 5-55, the agent perform search request for an item for the user and provide the search results that match the item of interest to the user);

a communication means that transmits communication between the users of the system and the system server, including transaction information to the user interest in the transaction (column 17, lines 11-35); and

means for executing the transaction, including issuing new securities or buying or selling previously issued securities through auction or trade (column 13, lines 1-30, the market maker computer executes the transfer ownership routine and allow the user to re-post the item already purchased as a new item for sale or auction).

Regarding to claim 37, Woolston discloses a Web-based system for executing securities transaction comprising;

means for designing a structure for a transaction diagrammatically and assigning corresponding attributes to the structure design (column 14, line 60-column 15, line 36, the market maker computer 800 has a database structure to allow the user to create an item's record);

means for analyzing and testing the structure design against market conditions, tax or regulatory requirements (column 17, lines 1-22; column 18, lines 30-55; the

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market maker computer 800 analyzes and test the structure design against regulatory requirement);

means for posting the transaction (column 16, lines 37-67, the user uses posting terminal 700 to post an item for sale);

means for identifying a transaction of interest to a user (column 7, lines 5-55, the agent perform search request for an item for the user and provide the search results that match the item of interest to the user); and

means for executing the transaction, including issuing new securities or buying or selling previously issued securities through auction or trade (column 13, lines 1-30, the market maker computer executes the transfer ownership routine and allow the user to re-post the item already purchased as a new item for sale or auction).

Regarding to claim 38, Woolston discloses:

means for analyzing an issuer's financial statements to assess the issuer's ability to meet financial obligations for the transaction (column 17, lines 1-22; the market maker computer analyzes the licensing and franchise agreements to ensure that the goods ported must be in the physical and legal possession);

means for preparing an finalizing documents to execute the transaction (column 12, lines 30-60, the market maker computer performs transfer funds and wonership between buyers and sellers); and

means for conducting due diligence research on the transaction or on the issuer (column 18, lines 30-55; conducting due diligence research on the transaction or on the

issuer to ensure that the goods a sold goods will not be inadvertently sold twice and the issuer is the legal owner).

7. Claim 26 is rejected under 35 U.S.C. 102(e) as being anticipated by Godin et al (hereinafter Godin), U.S. Patent No. 5,890,138.

Regarding to claim 26, Godin discloses an Internet-based system for raising capital by executing financial transactions, comprising:

workstations for receiving transaction information from users, and for displaying transaction information to users (column 3, lines 15-30; each of the users 8 has a computer terminal for accessing the Internet);

a database component operative to maintain a database of user information and transaction information (column 4, lines 40-55; column 3, lines 28-53; the user information and product information stored in the database server 22).

a load-balancing mechanism to distribute load across the system (column 3, lines 54-60);

a system server (column 3, lines 54-60; web server computers 10 and 12);

a security means, including a firewall and network segmentation (column 3, lines 21-28; firewall 20); and

a communication means that transmits communications between the users of the system and the system server, including transaction information to the user interested in the transaction (column 3, lines 15-20, 44-53; the Internet).

8. Claim 27 is rejected under 35 U.S.C. 102(b) as being anticipated by Salmon et al (hereinafter Salmon), U.S. Patent No. 5,592,375.

Regarding to claim 27, Salmon discloses an Internet-based system for raising capital by executing financial transactions, comprising:

workstations for receiving transaction information from users, and for displaying transaction information to users (figure 1, column 3, lines 15-27, Buyer's Interface 500, Seller's Interface 300);

a storage device (figure 1, column 3, lines 15-27, multimedia database 200);

a system server (server 200);

a processor (server 200) programmed to:

maintain in the storage device a database of user information and transaction information (figure 1, server 200 stores Buyer's Profiles and Product Profiles);

compare the database of user information with the posted transaction information to identify transactions of interest to a user (column 12, lines 20-26, matching the Buyer's Profile against the Product Profile to identify the products of interest to the buyer),

communicating transaction information to the user interested in the posted transaction (column 12, lines 26-55, The Buyer's Interface displays those products with the close matches, along with the matching characteristics to the buyer);

a communication means that transmits communications between the users of the system and the system server, including transaction information to the user interested in the posted transaction (column 14, lines 1-41, LAN or WAN).

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9. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

10. Claims 19, 25, and 33 are rejected under 35 U.S.C. 103(a) as being unpatentable over Woolston, U.S. Patent No. 6,085,176.

Regarding to claim 19, Woolston does not disclose selecting professional services through an on-line auction by providing invitations to bid to work on the transaction, the invitation communicated by a user to other users. However, providing invitation to bid by a user to other users is well known in the art. For example, in an on-line auction conducted by a brokering system, seller and buyer can negotiate directly to each other in order to get a better price. Therefore, it would have been obvious at the time of the invention to modify Woolston's to include the feature above for the purpose of allowing the sellers and buyers negotiate directly to each other in order to get a better price.

Regarding to claim 25, Woolston does not disclose generating a bill for a completed transaction; sending the bill to a user's customer; and providing a means for negotiating payment of bills between the user and the user's customer. However, generating a bill, sending the bill to a user, negotiating payment of bills between users are well known in the art of performing transaction in electronic commerce. Therefore, it would have been obvious at the time of the invention to modify Woolston's to include

the feature above to ensure that the seller bills the buyer the right amount and the buyer paid to the seller.

Regarding to claim 33, Woolston does not disclose a request for permission to participate in a transaction, the request communicated by another user to the user maintaining the posting; and a grant for permission to participate in the transaction, the grant communicated by the user maintaining the posting to the other user. However, granting for permission to participate in the transaction by the user maintaining the posting to the other user is well known in the art. For example, in the electronic auction conducted by the brokering system or third party, a seller allows buyers to contact the seller for directly negotiating in order to get a better price. Therefore, it would have been obvious at the time of the invention to modify Woolston's to include the feature above for the purpose of allowing the sellers and buyers negotiate directly to each other in order to get a better price.

Conclusion

11. Claims 1-38 are rejected.
12. The prior arts made of record and not relied upon is considered pertinent to applicant's disclosure:

Walker et al. (US 5,794,207) disclose a method and apparatus for effectuating bilateral buyer-driven commerce.

Shkedy (US 6,236,972) discloses a method and apparatus for facilitating transactions on a commercial network system.

Tengel et al. (US 5,940,812) disclose an apparatus and method for automatically matching a best available loan to a potential borrower.

13. Any inquiry concerning this communication or earlier communications from the examiner should be directed to examiner Nga B. Nguyen whose telephone number is (703) 306-2901. The examiner can normally be reached on Monday-Thursday from 9:00AM-6:00PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung S. Sough can be reached on (703) 308-0505.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Group receptionist whose telephone number is (703) 306-1113.

14. Any response to this action should be mailed to:

Commissioner of Patents and Trademarks
C/o Technology Center 3600
Washington, DC 20231

Or faxed to:

(703) 872-9326 (for formal communication intended for entry),

or

(703) 308-3691 (for informal or draft communication, please label "PROPOSED" or "DRAFT").

Hand-delivered responses should be brought to Crystal Park 5, 2451 Crystal Drive, Arlington, VA, Seventh Floor (Receptionist).

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May 25, 2004